Impact of price of gas from KG Basin

1584. SHRI MOINUL HASSAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether RIL is a contractor selling gas Krishna Godavari (KG) Basin owned by Union of India;

(b) whether Article 39(b) of the Constitution directs the State that the ownership and control of material resource of community are so distributed as based to sub-serve the common good;

(c) if so, whether Government is aware that the RIL gas pricing will have adverse impact on price of power and fertilizer; and

(d) if so, the reaction of Government?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA):(a) and (b) By virtue of Article 297 of the Constitution of India, petroleum in its natural state lying in the geographical territory, territorial waters and the continental shelf of India and the Exclusive Economic Zone of India is vested in the Government. The Government enters into Production Sharing Contracts (PSC) with the contractor to invest and explore for hydrocarbons in the contract area under NELP. If hydrocarbons are discovered and commercially produced, contractor is entitled to recover the investment made and share the profit with the Government as per the provisions of PSC.

(c) and (d) Government constituted an Empowered Group of Ministers (EGoM) to consider issues relating to pricing and commercial utilization of natural gas under NELP. EGoM has decided the issue of pricing of gas under NELP. In terms of the provisions of the Production Sharing Contracts, contractors have the freedom to sell gas in the domestic market at arms length prices to the benefit of parties to the contract. While approving the pricing formula, the EGoM has taken care to protect the interest of gas consuming sector against persistent rise in international crude prices, by imposing a ceiling of US$ 60 on the crude price per barrel in the formula.

Subsidy paid and taxes collected on petro products

1585. SHRIMATI BRINDA KARAT: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the amount of subsidy paid by Government during 2004-05, 2005-06 and 2006-07 for petroleum products;

(b) the subsidy paid by the Public Sector Oil companies for petroleum products during the same period, year-wise, and

(c) the total taxes, dividend and cess collected by Government from petroleum sector during 2004-05, 2005-06 and 2006-07?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA): (a) The Government is administering the PDS Kerosene and Domestic LPG Subsidy Scheme, 2002 through which the Public Sector Oil Marketing Companies (OMCs) are being paid subsidy at 1/3rd level of 2002-03 at a flat rate from the Union Budget i.e. at the rate of Rs. 22.58 per 14.2 kg

Domestic LPG cylinder and Re. 0.82 per litre PDS Kerosene. The subsidy paid by the Government during the last three years for PDS Kerosene and Domestic LPG is given below:

Rs./Crs.

Year	PDS Kerosene	Domestic LPG	Total
2004-05	1146.67	1783.64	2930.31
2005-06	1057.22	1604.77	2661.99
2006-07	969.67	1554.09	2523.76

(b) The OMCs are not giving subsidy for petroleum products but they are suffering under-recoveries on sale of Domestic LPG and PDS Kerosene. The average under-recoveries suffered by OMCs on sale of Domestic LPG and PDS Kerosene during the years 2004-05 to 2006-07 is given as under:

	Domestic LPG
Year	Per Unit Subsidy (Rs./Cyl.)
2004-05	124.89
2005-06	152.46
2006-07	156.08

	PDS Kerosene
Year	Per Unit Subsidy (Rs./Litre)
2004-05	7.96
2005-06	12.10
2006-07	15.17

In addition, the Government issued oil bonds of Rs. 11,500 crore and Rs. 24, 121 crore during the years 2005-06 and 2006-07 respectively to OMCs, as part of compensation for the under-recoveries incurred by them. The upstream oil companies have also contributed Rs. 5,947 crore, Rs. 14,000 crore and Rs. 20,507 crore during the years 2004-05, 2005-06 and 2006-07 respectively by offering discounts on crude oil and petroleum products.

(c) The relevant details are given in the Statement.

Statement

The Contribution Of Petroleum Sector To Central And State Government Exchequer.

(Rs./Crs)

Estimated Contribution to Exchequer

	2004-05	2005-06	2006-07
Central Exchequer			
Customs Duty	11697	9157	10043
Cess	4891	4884	6899
Excise Duty	38150	47180	51922
Royalty	2181	2306	2794

	2004-05	2005-06	2006-07
Corporate Tax	11180	10896	12153
Dividend	7641	7229	7963
Tax on Dividend	1513	1315	1362
Others (includes service tax)	439	347	666
Sub Total	77692	83314	93802
State Exchequer			
Sales Tax	38935	46667	56115
Royalties	2251	3199	3568
Dividend to State Govt.	21	19	22
Octroi, Duties (incl. Electricity duty)	1313	2211	1891
Others	734	157	525
Sub-Total	43254	52253	62121
Total Contribution	**120946**	**135567**	**155923**

NOTES:
Data given above is as provided by Oil Companies.

Underground tank facility for allotted SKO quota in Orissa

1586. MS. PRAMILA BOHIDAR: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether IOC, Orissa has allotted Superior Kerosene Oil (SKO) quota to dealer in Cuttack and Jagatsinghpur districts, in separate account having no underground facility violating the explosive rule of GoI;

(b) if so, the reasons therefor, the details thereof and the name of these dealers;

(c) why SKO quota of Erasana is not given to Graneswara Kero Fuels, Paradip with underground tank facility;

(d) when permanent allotment of Erasana block will be attached with concerned valid licensees; and

(e) the comparative statement of allotment of M/s Graneswara Kero Fuel *vis-a-vis* M/s B. Panda & Co. from June, 2000-October, 2007?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA): (a) and (b) IOC, Orissa has allotted Superior Kerosene Oil (SKO) quota to M/s B. Panda & Co., SKO/LDO dealer of IOC, operating in Cuttack and Jagatsinghpur Districts of Orissa. M/s B Panda & Co. had been operating in both these districts from January 1968 based on the dealership granted to him by the Corporation & with valid licences to operate/store kerosene oil by Orissa State Government.

Licences for both the districts have been issued by the issuing authority, Government of Orissa in Form 'B' [licence for operation as Retailer/wholesaler under the Orissa Public Distribution System (PDS) Control Order, 2002] and Form 'J' (licence to store non dangerous petroleum other than in bulk in quantity not exceeding 5000 gallons) respectively. This is in line with the explosives rules of Government of India.

(c) and (d) In Ersana block two IOC dealers namely-M/s Grameswar Kero Fuels, Paradip and M/s B. Panda & Co. Raghunathpur and one Hindustan Petroleum Corporation Limited (HPCL) dealer namely M/s Shrikrishna Stores, Ersana are supplying PDS kerosene.